Montana Fish, Wildlife & Parks

4600 Giant Springs Rd.
Great Falls, MT 59405

February 2, 2011

To Whom It May Concern:

The enclosed draft Environmental Assessment (EA) has been prepared regarding a potential grazing lease on the Smith River Wildlife Management Area (WMA) located northwest of White Sulphur Springs, Montana, and is submitted for your consideration. Questions and comments on the EA will be accepted through February 23, 2011. The proposed grazing lease would allow cattle to be utilized as a management tool to remove decadent residual vegetation to enhance the availability and palatability of mule deer and antelope spring forage on that portion of the SMRWMA to be grazed. The area was last grazed by livestock in the spring of 2008.

If you need additional copies of the draft EA, please contact Montana Fish, Wildlife & Parks in Great Falls at #406-454-5840. A copy of the draft EA is also available on Montana Fish, Wildlife and Parks's website at http://fwp.mt.gov.

Please send any written comments to the following address:

Adam Grove
Montana Fish, Wildlife & Parks
P.O. Box 892
White Sulphur Springs, MT 59645

Or email comment to: adgrove@mt.gov

Sincerely,

Gary Bertellotti
Regional Supervisor
Great Falls, MT

Enclosed: Draft Environmental Assessment for Smith River WMA grazing lease

Montana Fish, Wildlife & Parks
Draft Environmental Assessment

GRAZING LEASE FOR PORTION OF SMITH RIVER WILDLIFE MANAGEMENT AREA (925 AC.), AREA EAST OF FENCED CAMPGROUND AREA

PART I. PROPOSED ACTION DESCRIPTION

1. Type of proposed state action:

Montana Fish, Wildlife and Parks (MFWP) propose to lease 925 acres of the Smith River Wildlife Management Area (SMRWMA) for cattle grazing in order to enhance the palatability and availability of spring forage for wildlife.

2. Agency authority for the proposed action:

FWP has the authority under Section 87-1-210 MCA to protect, enhance, and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. In addition, in accordance with the Montana Environmental Policy Act, Montana Fish, Wildlife & Parks (MFWP) is required to assess the impacts that any proposal or project might have on the natural and human environments. Further, MFWP's land lease-out policy, as it pertains to the disposition of interest in Department lands (89-1-209) requires and Environmental Assessment (EA) to be written for all new grazing leases, lease extensions or lease renewals.

3. Anticipated Schedule:

Grazing Schedule:	Approx. May 7 - June 4, 2011 (actual dates of use may vary depending upon environmental conditions and number of livestock to be grazed)
Optional Schedule:	September - early October 2012
Term of Grazing:	2 years

4. Location affected by proposed action:

The Smith River Wildlife Management Area (SMRWMA) is located approximately 12 air miles northwest of White Sulphur Springs. The proposed grazing lease will be for that portion of the SMRWMA located on the east side of the Smith River, east of the fenced campground area and accessed via the Smith River - Camp Baker Road.

Figure 1. Location map of the Smith River WMA

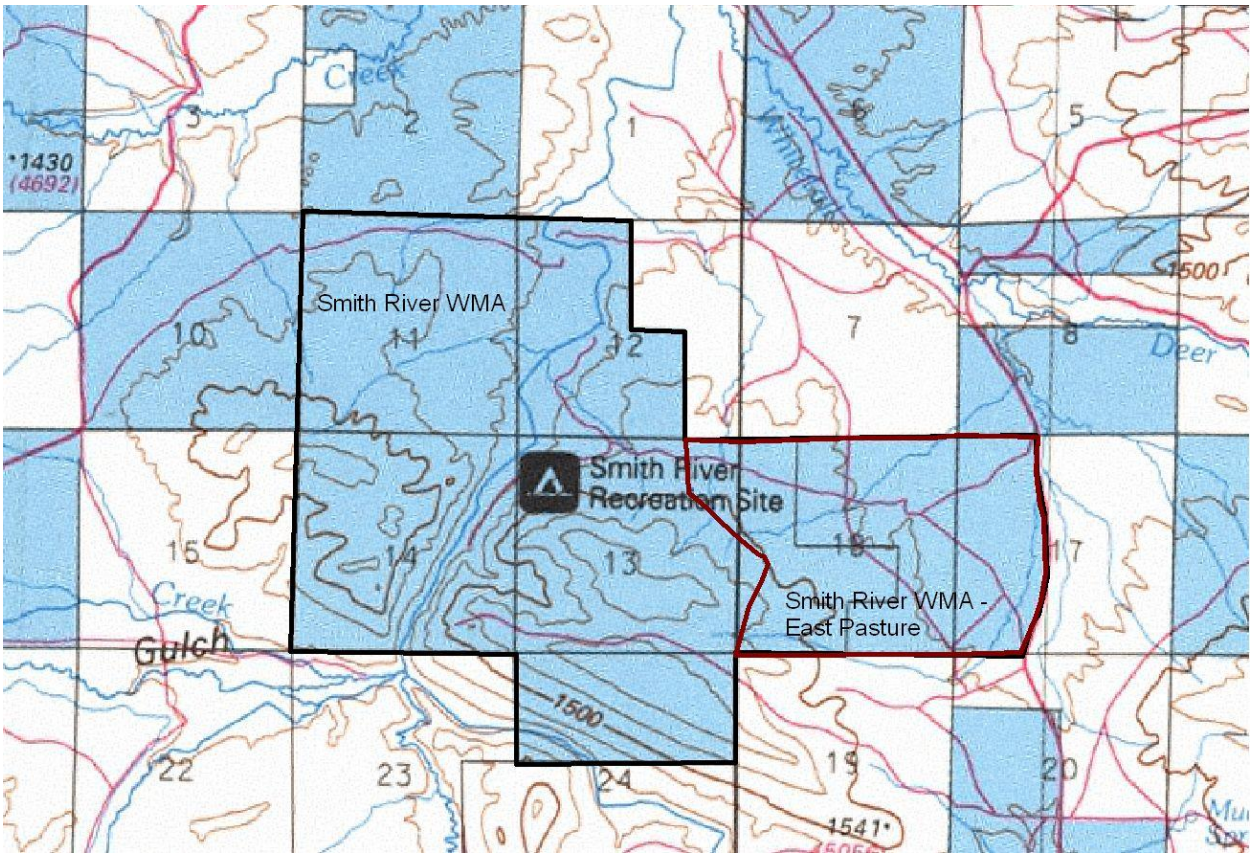

Figure 2. Map of area to be grazed on the Smith River WMA.

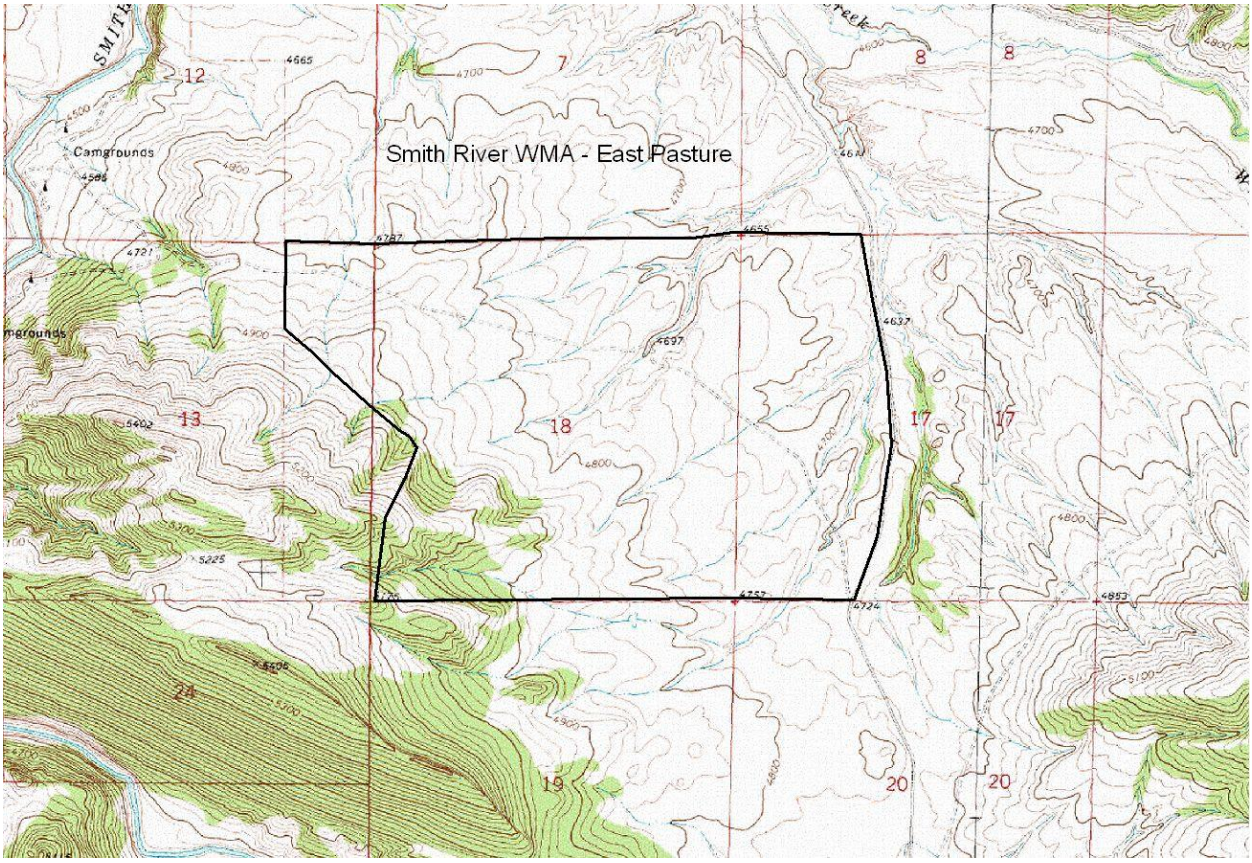

Figure 3. Topomap of area to be grazed on the Smith River WMA

Project size:

	Acres		Acres
(a) Developed:		(d) Floodplain	0
Residential	0		
Industrial	0	(e) Productive:	
(existing shop area)		Irrigated cropland	0
(b) Open Space/	0	Dry cropland	0
Woodlands/Recreation		Forestry	0
(c) Wetlands/Riparian	0	Rangeland	925
Areas		Other	0

6. Permits, Funding & Overlapping Jurisdictions:

(a) Permits: None required

(b) Funding: NA

(c) Other Overlapping or Additional Jurisdictional Responsibilities: None

7. Narrative summary of the proposed action:

The Smith River Wildlife Management Area (SMRWMA) encompasses over 3,500 acres, of which 3,217 are owned in fee title and the remainder is leased from the Montana Department of Natural Resources by MFWP. The area to be grazed (925 acres) is of gentle topography and is primarily big sagebrush – grassland with scattered Douglas fir (*Pseudotsuga meniesii*). Dominant vegetation species are big sagebrush (*Artemesia tridentate*), needle and thread grass (*Stipa comata*), western wheatgrass (*Pascopyrum smithii*), blue-bunch wheatgrass (*Pseudoroegneria spicata*), prairie june grass (*Koeleria macrantha*), and other perennial grasses. Stands of ponderosa pine (*Pinus* ponderosaJ) are also present in the southwest corner of the pasture.

Few mule deer and antelope currently use the SMRWMA during the early spring green up period and are instead using private land adjacent to and around the SMRWMA. The Department is proposing to utilize livestock grazing to remove decadent residual vegetation to enhance the availability and palatability of mule deer and antelope spring forage on that portion of the SMRWMA to be grazed. The goal is to manipulate the current vegetation in the area through livestock grazing to encourage more mule deer and antelope use of the SMRWMA during the spring and to reduce the number of mule deer and antelope on the adjacent private land. It is also believed that periodic livestock grazing of the area will enhance the winter range habitat and forage for mule deer, which is the primary objective of the current management plan for the SMRWMA (1993).

In addition, elk are starting to use nearby private land more frequently in the spring. Increasing elk numbers on the SMRWMA is not a current desired management goal or objective. However, if elk are going to use the general area in the spring, to reduce conflicts with private landowners, it will be better to have elk grazing on the SMRWMA then on the adjacent private land. Enhancing the palatability and availability of spring forage on the SMRWMA may result in elk using the SRMWMA in the spring rather than adjacent private land.

The area to be leased was last grazed in the spring of 2008. The proposed grazing lease will consist of one pasture unit, approximately 925 acres in size. The grazing capacity of the area is estimated to be approximately 175 Animal Unit Months (AUMs). The area would be grazed from approximately May 7 – June 4, 2011, although actual dates may vary depending upon environmental conditions and number of cattle to be grazed. The lessee will also have the option of grazing the WMA in the fall (September – early October) of 2012. As a result, the lease will be for two years. A competitive bid process will determine the lessee.

As there is no water available on that portion of the SMRWMA, the lessee will be responsible for providing all livestock water and water tanks at a minimum of two designated sites. The lessee will be required to maintain the pasture fences during the grazing season. The area to be grazed will be monitored by MFWP staff in the spring of 2012 and 2013 to determine if the objective of the project was achieved, that is increased mule deer and antelope use of the area.

8. Description and analysis of reasonable alternatives:

Alternative A: No Action

- Decadent residual vegetation will remain, and the area will remain unattractive to mule deer and other big game species.
- Mule deer and other big game will likely continue to utilize adjacent private land in the spring time period.
- Continued concern by some neighboring landowners regarding the fire danger on the SMRWMA due to the abundance of vegetation.

Alternative B: Proposed Action

- Reduction in decadent residual vegetation.
- Increased visibility of noxious weeds, which will aid in their control.
- Soil and plant disturbance that will benefit seedling establishment of both desirable and possibly undesirable plant species.
- Provide for better spring green-up vegetation conditions for mule deer and other wildlife species; thereby, hopefully reducing mule deer and other big game usage of adjacent private property during the spring.
- Some segments of the general public may disapprove of cattle grazing on the SMRWMA.
- Income source to MFWP, which will be used to maintain and enhance MFWP wildlife management areas.
- Improved relations with some of the local ranchers.
- Reduced grazing pressure on property of lessee, allowing for improved vegetation conditions on said property as a result of a pasture(s) being rested from grazing.

If the No Action alternative is chosen, MFWP would continue to manage the WMA for the benefit of wildlife species and for public access. Current services and maintenance of the WMA would continue. No impacts to environmental or human resources would be expected to occur as a result of livestock grazing given that the area wouldn't be grazed by livestock.

PART II. ENVIRONMENTAL REVIEW CHECKLIST

Below is the evaluation of the impacts of the <u>Proposed Action</u>.

A. PHYSICAL ENVIRONMENT

1. <u>LAND RESOURCES</u> **Will the proposed action result in:**	**IMPACT ***					
	Unknown	**None**	**Minor**	**Potentially Significant**	**Can Impact Be Mitigated**	**Comment Index**
a. Soil instability or changes in geologic substructure?		X				
b. Disruption, displacement, erosion, compaction, moisture loss, or over-covering of soil, which would reduce productivity or fertility?			X			1b
c. Destruction, covering or modification of any unique geologic or physical features?		X				
d. Changes in siltation, deposition or erosion patterns that may modify the channel of a river or stream or the bed or shore of a lake?			X			1d
e. Exposure of people or property to earthquakes, landslides, ground failure, or other natural hazard?		X				

1b/d. Some impacts to soil conditions may occur due to trampling, trailing or grazing in localized, high use areas, especially around water tanks. The grazing capacity estimate is believed to be a conservative estimate, so the risk of overgrazing induced erosion should be minimal. Hoof action from livestock grazing should provide a positive benefit to soil quality by helping to break down old residual vegetative material, thereby, returning nutrients to the soil.

2. <u>AIR</u> **Will the proposed action result in:**	**IMPACT ***					
	Unknown	**None**	**Minor**	**Potentially Significant**	**Can Impact Be Mitigated**	**Comment Index**
a. Emission of air pollutants or deterioration of ambient air quality? (Also see 13 (c).)		X				
b. Creation of objectionable odors?			X			2b
c. Alteration of air movement, moisture, or temperature patterns or any change in climate, either locally or regionally?		X				
d. Adverse effects on vegetation, including crops, due to increased emissions of pollutants?		X				
e. <u>For P-R/D-J projects</u>, will the project result in any discharge, which will conflict with federal or state air quality regs? (Also see 2a.)		N/A				

2b. The proposed action would have no effect on the ambient air quality. Some individuals may find the smell of grazing livestock on the WMA objectionable. However, the area has been in the past, most recently in 2008. In addition, livestock graze the adjacent private property all around the WMA, so the smell of grazing livestock is already present in the general area.

3. WATER Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Discharge into surface water or any alteration of surface water quality including but not limited to temperature, dissolved oxygen or turbidity?		X				
b. Changes in drainage patterns or the rate and amount of surface runoff?			X			3b
c. Alteration of the course or magnitude of floodwater or other flows?		X				
d. Changes in the amount of surface water in any water body or creation of a new water body?		X				
e. Exposure of people or property to water related hazards such as flooding?		X				
f. Changes in the quality of groundwater?		X				
g. Changes in the quantity of groundwater?		X				
h. Increase in risk of contamination of surface or groundwater?		X				
i. Effects on any existing water right or reservation?		X				
j. Effects on other water users as a result of any alteration in surface or groundwater quality?		X				
k. Effects on other users as a result of any alteration in surface or groundwater quantity?		X				
l. For P-R/D-J, will the project affect a designated floodplain? (Also see 3c.)		N/A				
m. For P-R/D-J, will the project result in any discharge that will affect federal or state water quality regulations? (Also see 3a.)		N/A				

3b. There are no running streams or live water bodies on or in the immediate area of the proposed lease. While there is the potential for any snowmelt or rainstorm run-off from the area to eventually reach the Smith River, impacts on Smith River water quality, quantity and distribution would be minimal at best. The level of grazing recommended should leave adequate vegetative material to protect the soil and minimize potential run-off. Grazing will also not occur until mid-spring, after primary snowmelt has occurred.

4. VEGETATION **Will the proposed action result in?**	**IMPACT ∗**					
	Unknown	**None**	**Minor**	**Potentially Significant**	**Can Impact Be Mitigated**	**Comment Index**
a. Changes in the diversity, productivity or abundance of plant species (including trees, shrubs, grass, crops, and aquatic plants)?			X		No	4a
b. Alteration of a plant community?			X		No	4b
c. Adverse effects on any unique, rare, threatened, or endangered species?		X				
d. Reduction in acreage or productivity of any agricultural land?		X				
e. Establishment or spread of noxious weeds?			X		Yes	4e
f. For P-R/D-J, will the project affect wetlands, or prime and unique farmland?		N/A				

4a/b. While vegetation cover and quantity will be decreased while livestock are grazing the area, vegetation quality should increase following grazing, as a result of removing the residual decadent plant material that has built up since the area was last grazed in 2008. Grazing should enhance the availability and palatability of spring forage in the area. Plant and soil disturbance as the result of grazing may enhance seed placement, germination, and seedling establishment for both native and nonnative plant species. High concentrations of cattle around water tanks may negatively affect plant cover, quality and quantity in those localized areas.

The proposed grazing is expected to reduce the potential fire danger from all the old standing vegetation. The reduction in fire fuels would be appreciated by adjacent landowners.

4e. The Department currently manages noxious weeds on the SMRWMA through chemical control per the guidelines set forth in MFWP's 2008 Integrated Noxious Weed Management Plan. The acres grazing by the cattle would be monitored for new weed infestations.

5. FISH/WILDLIFE **Will the proposed action result in:**	**IMPACT ∗**					
	Unknown	**None**	**Minor**	**Potentially Significant**	**Can Impact Be Mitigated**	**Comment Index**
a. Deterioration of critical fish or wildlife habitat?		X				
b. Changes in the diversity or abundance of game animals or bird species?			X			5b
c. Changes in the diversity or abundance of nongame species?	X					5c
d. Introduction of new species into an area?		X				
e. Creation of a barrier to the migration or movement of animals?		X				
f. Adverse effects on any unique, rare, threatened, or endangered species?		X				5f
g. Increase in conditions that stress wildlife populations or limit abundance (including harassment, legal or illegal harvest or other human activity)?			X			5g

h. For P-R/D-J, will the project be performed in any area in which T&E species are present, and will the project affect any T&E species or their habitat? (Also see 5f.)		N/A				
i. For P-R/D-J, will the project introduce or export any species not presently or historically occurring in the receiving location? (Also see 5d.)		N/A				

5 b/c/f/g. While livestock grazing activities will reduce the amount of forage in the area during the grazing lease period and probably temporarily displace big game from the area to be grazed, it is expected that the project will have a positive long-term impact on mule deer and antelope habitat. The expected short-term positive impact is that decadent residual vegetation will be removed, which should enhance spring green-up conditions and provide more palatable forage for grazing wildlife. Livestock grazing may also enhance the winter range habitat for mule deer in the long term. Sufficient forage is available to mule deer and other big game on the rest of the SMRWMA to offset any short-term loss of forage due to livestock.

The area is on the periphery of occupied sage grouse habitat. There was evidence of sage grouse winter use of the area in around 2004. Livestock grazing should not affect the winter sagebrush forage supply of any sage grouse that might potentially still use the area in the winter. The area has been checked periodically in the recent past for displaying male sage grouse in the spring, but there is no evidence of an active lek in the area. There is a historical inactive sage grouse lek just to the north of the WMA, but no activity has been observed on that lek since the late 1970s. While grazing by livestock could negatively impact nesting sage grouse through removal of herbaceous forage used for nesting cover or direct trampling of nests, at this point in time it appears unlikely that area is used for nesting by sage grouse. In regards to non-game impacts, the reduction in residual cover could have a negative impact on any ground nesting birds that may utilize the area. There are no aquatic habitats on or in the immediate area of the proposed lease area, so they should be unaffected by the treatment.

B. HUMAN ENVIRONMENT

6. NOISE/ELECTRICAL EFFECTS **Will the proposed action result in:**	**IMPACT ∗**					
	Unknown	**None**	**Minor**	**Potentially Significant**	**Can Impact Be Mitigated**	**Comment Index**
a. Increases in existing noise levels?		X				
b. Exposure of people to serve or nuisance noise levels?		X				
c. Creation of electrostatic or electromagnetic effects that could be detrimental to human health or property?		X				
d. Interference with radio or television reception and operation?		X				

The proposed action would have no effect on existing noise level since there would be no change in the level of activity on FWP-owned property.

7. LAND USE Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Alteration of or interference with the productivity or profitability of the existing land use of an area?		X				
b. Conflicted with a designated natural area or area of unusual scientific or educational importance?		X				
c. Conflict with any existing land use whose presence would constrain or potentially prohibit the proposed action?		X				
d. Adverse effects on or relocation of residences?		X				

Grazing activity would occur outside the time frame of any big game rifle seasons.

8. RISK/HEALTH HAZARDS Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Risk of an explosion or release of hazardous substances (including, but not limited to oil, pesticides, chemicals, or radiation) in the event of an accident or other forms of disruption?		X				
b. Affect an existing emergency response or emergency evacuation plan, or create a need for a new plan?		X				
c. Creation of any human health hazard or potential hazard?		X				
d. For P-R/D-J, will any chemical toxicants be used? (Also see 8a)		N/A				

Chemical spraying is part of FWP's weed management plan to limit the infestation of noxious weeds on its properties per the guidance of the 2008 Integrated Weed Management Plan. Weed treatment and storage and mixing of the chemicals would be in accordance with standard operating procedures.

9. COMMUNITY IMPACT Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Alteration of the location, distribution, density, or growth rate of the human population of an area?		X				
b. Alteration of the social structure of a community?		X				
c. Alteration of the level or distribution of employment or community or personal income?		X				
d. Changes in industrial or commercial activity?		X				
e. Increased traffic hazards or effects on existing transportation facilities or patterns of movement of people and goods?		X				

The proposed action would have no effect on local communities, increase traffic hazards, or alter the distribution of population in the area.

10. PUBLIC SERVICES/TAXES/UTILITIES Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Will the proposed action have an effect upon or result in a need for new or altered governmental services in any of the following areas: fire or police protection, schools, parks/recreational facilities, roads or other public maintenance, water supply, sewer or septic systems, solid waste disposal, health, or other governmental services? If any, specify:		X				
b. Will the proposed action have an effect upon the local or state tax base and revenues?		X				
c. Will the proposed action result in a need for new facilities or substantial alterations of any of the following utilities: electric power, natural gas, other fuel supply or distribution systems, or communications?		X				
d. Will the proposed action result in increased use of any energy source?		X				
e. **Define projected revenue sources						10e
f. **Define projected maintenance costs.						10f

10e. The exact amount of revenue from the grazing lease will depend upon the winning bid rate for the lease and whether or not the lessee utilizes the option to graze the pasture in the fall of 2012. The minimum bid rate will be one-half of MFWP's 2011 grazing rate.

10f. No additional costs to MFWP are expected with the implementation of the proposed grazing lease, as the lessee will be responsible for maintenance of the pasture fences during the grazing period.

11. AESTHETICS/RECREATION Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Alteration of any scenic vista or creation of an aesthetically offensive site or effect that is open to public view?			X			11a
b. Alteration of the aesthetic character of a community or neighborhood?		X				
c. Alteration of the quality or quantity of recreational/tourism opportunities and settings? (Attach Tourism Report.)			X			11c
d. For P-R/D-J, will any designated or proposed wild or scenic rivers, trails or wilderness areas be impacted? (Also see 11a, 11c.)		X				

11a. Domestic livestock and signs of livestock use on the SMRWMA may be objectionable to some segments of the public, particularly some fishermen and campers passing through the pasture on the access road to the river corridor. However, this pasture has been grazed in the past (most recently 2008), so there is history of cattle grazing the area.

11c. Livestock and livestock sign on a MFWP wildlife management area may seem out of place for some segments of the public. However, this area has been grazed in past (most recently in the spring of 2008).

12. CULTURAL/HISTORICAL RESOURCES Will the proposed action result in:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. **Destruction or alteration of any site, structure or object of prehistoric historic, or paleontological importance?		X				
b. Physical change that would affect unique cultural values?		X				
c. Effects on existing religious or sacred uses of a site or area?		X				
d. For P-R/D-J, will the project affect historic or cultural resources? Attach SHPO letter of clearance. (Also see 12.a.)		N/A				

SIGNIFICANCE CRITERIA

13. SUMMARY EVALUATION OF SIGNIFICANCE Will the proposed action, considered as a whole:	IMPACT *					
	Unknown	None	Minor	Potentially Significant	Can Impact Be Mitigated	Comment Index
a. Have impacts that are individually limited, but cumulatively considerable? (A project or program may result in impacts on two or more separate resources that create a significant effect when considered together or in total.)		X				
b. Involve potential risks or adverse effects, which are uncertain but extremely hazardous if they were to occur?		X				
c. Potentially conflict with the substantive requirements of any local, state, or federal law, regulation, standard or formal plan?		X				
d. Establish a precedent or likelihood that future actions with significant environmental impacts will be proposed?		X				
e. Generate substantial debate or controversy about the nature of the impacts that would be created?		X				
f. For P-R/D-J, is the project expected to have organized opposition or generate substantial public controversy? (Also see 13e.)		N/A				
g. For P-R/D-J, list any federal or state permits required.		N/A				

Evaluation and listing of mitigation, stipulation, or other control measures enforceable by the agency or another government agency:

The grazing lease agreement between MFWP and the lessee would include all lease stipulations and enforceable control measures.

PART III. NARRATIVE EVALUATION AND COMMENT

The proposed grazing lease on the Smith River WMA will be used to improve vegetative conditions for big game species that may utilize the WMA particularly during the spring time period.

The proposed project is not expected to have significant impacts on the physical or human environment. Identified impacts are expected to be minor at the worst and of short duration. The project is expected to benefit wildlife habitat conditions in the long-term.

PART IV. PUBLIC PARTICIPATION

1. Public involvement:

The public will be notified in the following manners to comment on this current EA, the proposed action and alternatives:

- Two public notices in each of these papers: White Sulphur Springs *Meagher County News* and Great Falls *Tribune*;
- Public notice on the Fish, Wildlife & Parks web page: *http://fwp.mt.gov*.

Copies of this environmental assessment will be distributed to the neighboring landowners and interested parties to ensure their knowledge of the proposed project.

This level of public notice and participation is appropriate for a project of this scope having limited and very minor impacts, which can be mitigated.

2. Duration of comment period:

The public comment period will extend for twenty-one (21) days beginning February 3, 2011. Written comments, **RE: Smith River WMA grazing lease,** will be accepted until **5:00 p.m., February 23, 2011** and can be mailed to the address below:

Smith River WMA Grazing Lease
Montana Fish, Wildlife & Parks
P.O. Box 892
White Sulphur Springs, MT 59645 or emailed to: adgrove@mt.gov

PART V. EA PREPARATION

1. Based on the significance criteria evaluated in this EA, is an EIS required? (YES/NO)? No

- **If an EIS is not required, explain why the EA is the appropriate level of analysis for this proposed action.** It has been determined that no significant impacts to the physical and human environment will result due to the proposed action alternative, nor will there be significant public controversy over the proposed action; therefore, an Environmental Impact Statement is not required.

2. Person responsible for preparing the EA:

Adam Grove, MFWP Wildlife Biologist
White Sulphur Springs, P.O. Box 892, White Sulphur Springs, MT
406-547-2585

APPENDIX A

Legal Description (approximate): Lease Pasture-Grazing, Smith River WMA

One pasture unit, consisting of approximately 925 acres located on the east side of the Smith River Wildlife Management Area. Legal description: all of Section 17 west of the county road and the East ½, NW ¼, and majority of SW ¼ Section 18 in T11N R5E, and the NW ¼ NW ¼ and a portion of the SW ¼ NW ¼ T11N R4E Section 13. (Please see attached map)

Grazing Plan – Smith River WMA

One pasture unit, consisting of approximately 925 acres located on the east side of the Smith River Wildlife Management Area. Legal description: all of Section 17 west of the county road and the East ½, NW ¼, and majority of SW ¼ Section 18 in T11N R5E, and the NW ¼ NW ¼ and a portion of the SW ¼ NW ¼ T11N R4E Section 13. (Please see attached map)

Grazing capacity: Approximately 175 Animal Unit Months (AUMs) per grazing period.

Number and kind of livestock – 175 cow/calf pairs

Watering system: No water is available on this portion of the WMA. The lessee must provide all livestock water and tanks.

Fences: Lessee is responsible for maintenance of existing fences during lease period.

Grazing system: One pasture rest-rotation. The grazing season will be approximately May 7 – June 4, 2011 (1st year); September – early October in 2012, if lessee options to utilize grazing (2nd year); pasture will be rested in 2013 (3rd year).

Annual grazing lease fee will be calculated on actual AUMs utilized.

Lease term: 2 years